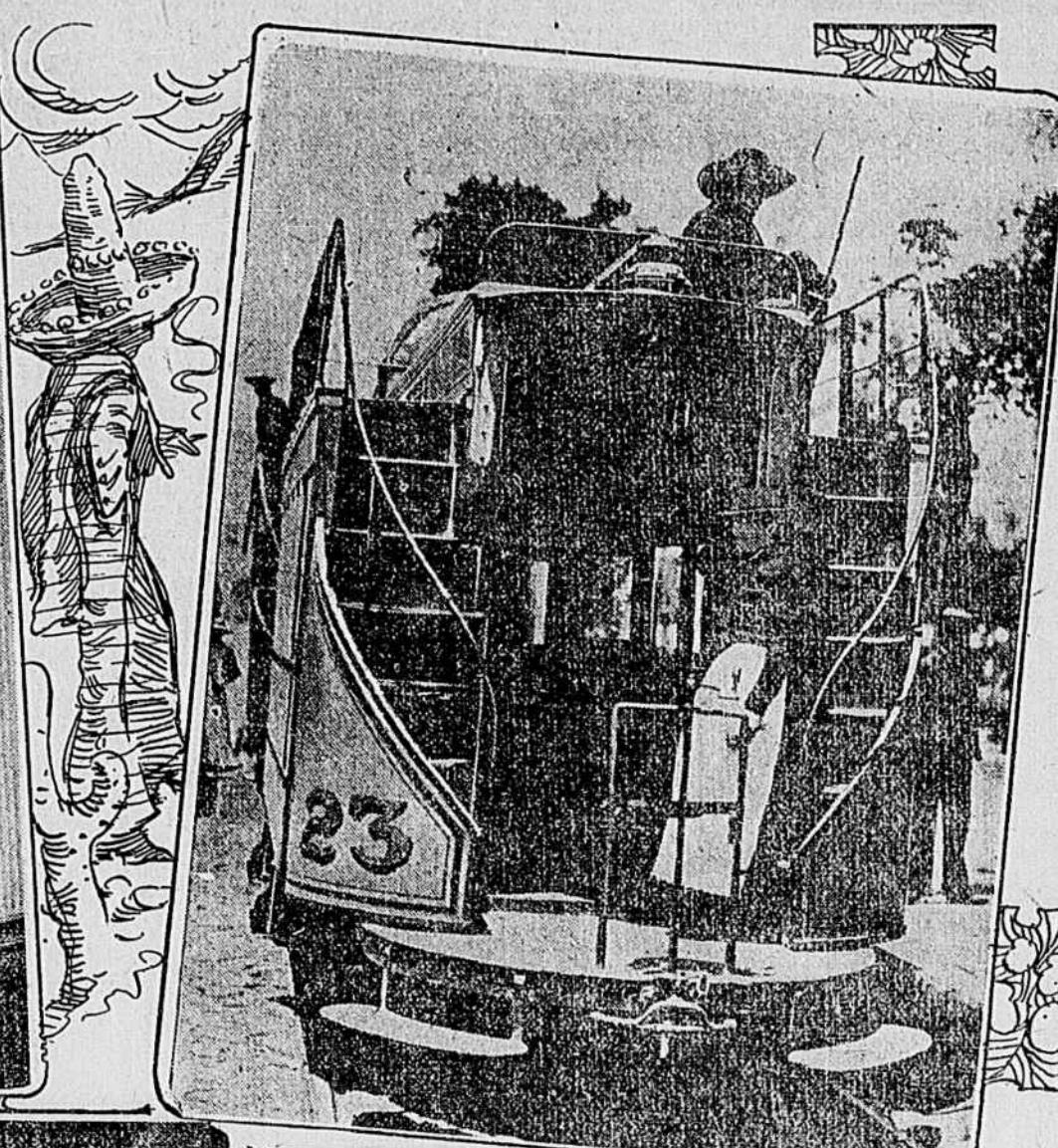


UNCLE SAM AND SOUTH AMERICA--ENORMOUS OPENINGS FOR TRADE



An Arcade in Santiago



The only native thing is the woman conductor



Every woman wears a mantle in church

Purchases to the Amount of \$600,000,000 Going A-Begging. The Immense Business of Germany, Great Britain and France at a Standstill—What the Several Republics Need and Some of Their Specialties—Shoes for the Babies and Mantas for Women—The Trade in Automobiles and Electrical Machinery, Steel Rails and Locomotives—The Need of American Steamers and the Question of Return Freight—Big Money in Banking and Other Investments.

BY FRANK G. CARPENTER.

AND a vision appeared to Paul in the night; there stood a man of Macedonia, and prayed him, saying, "Come over into Macedonia, and help us."

This from Acts xvi. 9, is the text of the letter Uncle Sam represents St. Paul, and South America, Macedonia. The cry is one of great need, and the sound thereof flies across the ocean from one continent to the other. It is the cry of more than 50,000,000 souls, and it voices a need of thousands of millions of dollars. It tells of the wants created by the warlike nations of Europe, and it begs Uncle Sam to send his goods over the seas to satisfy them. It is a composite cry, made up of all our sister republics. Listen a moment and hear how big the cry is. It represents a trade of hundreds of millions of dollars. In 1912 Great Britain sold South America \$270,000,000 worth of goods. The sales of Germany amounted to \$127,000,000, those of France to more than \$100,000,000, and in addition, Austria and Belgium each had a large share. These goods were scattered far and wide over the Continent. An equal supply is demanded this year, but it is shut out by the war. Truly the cry from Macedonia is loud.

Now stop again and listen more closely! Out of the composite, you can hear the voices of the individual countries. That of Chile represents the loss of \$75,000,000 in foreign supplies from Great Britain, Germany and France. The country is alive to its needs, and the government is subsidizing steamers to bring our goods here to make up the deficit.

But what is that shrill, small cry from the top of the Andes? It personifies the wants of Bolivia. It says: "I have been buying goods from Great Britain to the amount of \$26,000,000 a year. Germany has been sending me her wares to the amount of \$4,000,000, and I have been buying \$2,000,000 of France. My wants now are the same, and I rely on the United States to supply them."

And then the voice of Peru! "My needs last year supplied by the British cost me \$14,000,000. I got goods to the amount of \$3,000,000 from Germany, and of \$2,000,000 from France. Where shall these goods come from in 1915?"

The same sounds are heard from Ecuador, Colombia and Venezuela. The imports of each country represent millions, but they are drowned by the megaphones of the mighty republics on the East and Southern Atlantic. The needs of Brazil and Argentina are enormous. Last year Argentina paid Great Britain \$120,000,000 for her daily supplies, and she got \$2,000,000 worth of goods from Germany and \$24,000,000 worth from France. The purchases of Brazil from the same source amounted to more than \$125,000,000, and, in addition, was the enormous trade with Belgium, Switzerland, Austria and other countries, now tied up by the war.

Indeed, the foreign trade of South America is large in the trade of the world. Within recent years the exports to that continent of the three great manufacturing countries now at war have been averaging about six times as much as their exports to China. In 1912 their sales to South America

amounted to almost a half-billion dollars, while their exports to China during that year were less than \$30,000,000. Here are the figures: the United Kingdom sent exports to the amount of \$245,000,000 to South America, and of only \$54,000,000 to China; Germany sent \$136,000,000 to South America and only \$20,000,000 to China, while the exports of France to this continent amounted to \$54,000,000, in contrast with only \$2,000,000 to China.

The imports from South America of the countries at war have been quite as large as that, the trade altogether represents, as I have said, more than a thousand millions of dollars.

I do not like figures. They are a poor medium for the conveyance of thought. They are all right for an Indian reservation, but they slide from the back of the ordinary intellect like water from the back of the typical duck. Still it is only by figures that we can get an idea of the trade losses caused by this war in Europe, and of the wants which Uncle Sam has now a chance to supply. The warring nations are among the great traders of the world. Great Britain stands first and then come Germany and France, with Belgium and Austria each doing its share. The total foreign commerce of Austria, Russia, France, England, Germany and Belgium amounts to more than \$20,000,000,000. That of Great Britain alone approximates \$7,000,000,000, and that of Germany is more than \$5,000,000,000. France in its trade with foreign nations employs more than \$1,000,000,000 a year, and Austria and Russia each more than \$1,000,000,000. Little Belgium has a foreign trade which exceeds a billion and a half.

Here are some striking figures of the imports and exports for 1913. In that year Belgium sold \$715,000,000 worth of goods. Russia \$500,000,000 worth, and Austria \$575,000,000 worth. These were the small merchants. The sales of Great Britain all over the world in that year amounted to more than \$3,000,000,000; those of Germany were almost \$2,500,000,000, while France came in with her share of \$1,750,000,000. Each of the warring nations "bought almost as much, or more than it sold, making, altogether, as I have said, a foreign commerce amounting to \$20,000,000,000 of our money.

This gives some idea of the opportunities offered to the United States by the increase of its shipping and banking and trade. Our foreign commerce in 1913 was more than \$4,000,000,000. We shall have to increase it over 500 per cent to equal the value of that of the nations at war.

But let us get down to brass tacks. Once had an interview with Mrs. Hettie Green, the richest woman of the world, in which she told me that her mind refused to comprehend more than \$1,000,000 at one time. It is the same here. Let us divide the sums and look at the figures. Here are some selections from the myriad wants of the individual countries which "show just where the trade is and what we might do."

Take this little republic of Chile, with its population of 3,000,000 or 4,000,000, and begin at the bottom. The nation buys its footwear from outside nations by the thousands of pairs, and the American shoe is so popular with the better classes that out of the supplies sold last year more than 11,000 pairs came from the United States, 8,000 from Great Britain, 6,000 from Germany and

2,000 from France. We led in the trade, but we should have to more than double our business to supply the present demand. In babies' and children's shoes we did practically nothing. The sale of such goods amounted to 170,000 pairs, and of these only 1,000 came from our country. On the other hand, France sold 60,000 pairs, Great Britain 54,000 pairs and Germany 40,000. What Chile wants to know is whether the United States can supply the lack of 169,000 pairs of shoes for her babies' bare feet.

There are many other goods which come almost entirely from abroad. This is so with toys. More than two-thirds of them have come from Germany and France, and the Christmas of 1914 will be lean unless Uncle Sam sends the playthings.

And then take our cotton and woolen mills. We have been shipping less than a million dollars' worth of textiles per annum to Chile, whereas the sales of Great Britain and India have amounted to more than \$10,000,000; those of Germany to more than \$7,000,000, and of France to something like \$3,000,000. The total amount of goods of that kind that has come from the countries now at war is twenty-five as great as that from the United States. This means that an increase of 2,500 per cent in our sales of textiles to Chile is among the possibilities.

It must be remembered, however, that the trade is a special one. The people have their own styles and wants, and they will not stand being made the dumping ground for the American factories. They use all sorts of staple goods, such as cottons, woollens and silks; but at the same time there are many specialties peculiar to the country. One of these is the black shawl or mantas, which every woman wears in church and on the street. The most of these have come from Germany, France and Great Britain. All kinds of passamenteries sold are from Germany and France, with only a small supply from Great Britain. The bulk of the carpets is from the United Kingdom and Germany, and the most of the underwear from Germany and the United Kingdom, and the blankets are from Germany, Great Britain, Belgium and Spain. All the cotton lace comes from Europe, and all of the thread. The ribbons are mostly from Germany and France; and Japan is the leader in the selling of handkerchiefs.

As to the manufacture of steel, our trade with Chile, thanks to the steel trust, is rapidly growing. Nevertheless, the most of the iron and steel still comes from Europe, and there are opportunities in all varieties of such manufactures. The country is using about 5,000 tons of corrugated iron and 15,000 tons of galvanized iron per year. Of the first, three-fourths has come from Great Britain, and of the second, Great Britain has sold 14,000 tons. We annually sell about 1,000 tons of corrugated iron and something like 4,000 tons of galvanized iron to Chile. In this same line Belgium has done a big business.

I could write a whole letter on the openings for railroad materials, and that not only to Chile, but as to almost every South American country. Chile is now taking about 1,000 tons of freight and passenger cars per annum; she buys in the neighborhood of 2,000 tons of locomotives and also thousands of tons of steel rails, railroad spikes,

fishplates and car wheels. In all of these things the United States has a fair trade, but Germany, France, Belgium and Great Britain are doing the bulk of the business. The sales of the steel trust, however, have been steadily growing, and with the present opportunities they should increase many

fold. It is the same with the locomotive and car business. I have one statement showing that Chile took last year 311 freight cars from Belgium and 248 from Great Britain, while from the United States it got only sixty-eight. In that same year we sold about one-third of the locomotives, the bal-

ance going to Great Britain and Germany. Just now Chile has under way enormous railroad extensions, and her supplies will have to come from our country.

The electrical possibilities are large, and they demand all sorts of machinery. Every town of any size has electric cars and electric lights. The country took about 400,000 pounds of electric bulbs last year, of which the bulk came from Germany, less than 20,000 pounds coming from the United States. Many of the big mining companies use electricity to operate their works. The Cuzcohuenchun copper plant at Chuquibambilla, which will be one of the largest of the world, recently awarded a contract for its electrical supplies to a German company. These included a steam plant on the coast and a transmission line seventy-five miles long from there to the mines. That contract may have to be carried out by Americans. There is a great deal of electricity used in the nitrate factories, and there are big opportunities for additional supplies in the street car lines, many of which are owned by the Germans. Most of the cars are of German construction, the only native thing about their operation being the woman conductors who take up the fares.

And then the trade for automobiles. This is rapidly opening up, not only in Chile, but in every Latin-American republic. There are more than 2,000 automobiles now in Mexico City; there are 3,000 in Rio Janeiro, and so many in Buenos Aires that the dogs there have to cross the street on the run. Many of the machines come from England, Germany and France; but they are being displaced by our cheaper American makes, which are now to be seen in almost every large town of the Continent. There is a demand for motor trucks in the cities. And so I might go on country by country and item by item. The field is so vast that there is hardly an industry in the United States whose goods are not needed in some parts of South America. The want comprehend every variety of manufacture and almost every article that the United States makes.

An almost imperative demand for this trade is American ships, and those backed by the government that they cannot fail to pay a good profit. It is probable that Chile and Peru will subsidize their lines of steamers, and send them through the canal to our Atlantic ports. Our government should do the same as to American vessels engaged in the South American trade. Until now practically the whole of this trade has been in the hands of the English and Germans, and they have so combined that our steamers could not compete with them. They have given such rebates to the South American exporters that our vessels could not get return freights, and this is especially so of coffee and other large products. We have been buying something like

\$70,000,000 worth of coffee a year from Brazil; and for every cup on our breakfast table we have had to pay a toll to the German and English shipping trusts, subsidized by their governments. Since 1840 the United Kingdom has paid out about \$300,000,000 in such subsidies. France has been paying \$8,000,000 a year in bounties of one kind or another, and Germany has built up her enormous shipping through subsidies and bounties. Practically all our exports and imports have been carried in foreign bottoms, and we have been paying taxes not only to the ships, but also to the banks, all the money transactions having been carried on through Europe. As it is now, our foreign commerce amounts to more than \$4,000,000,000 a year, and of this, nine-tenths goes by sea. Our exports last year were more than \$2,000,000,000 and only 9 per cent of them were carried in American vessels. Estimating the cost of freight, and the banking at only 5 per cent, we have been paying enough in such charges to build a Panama Canal every two years.

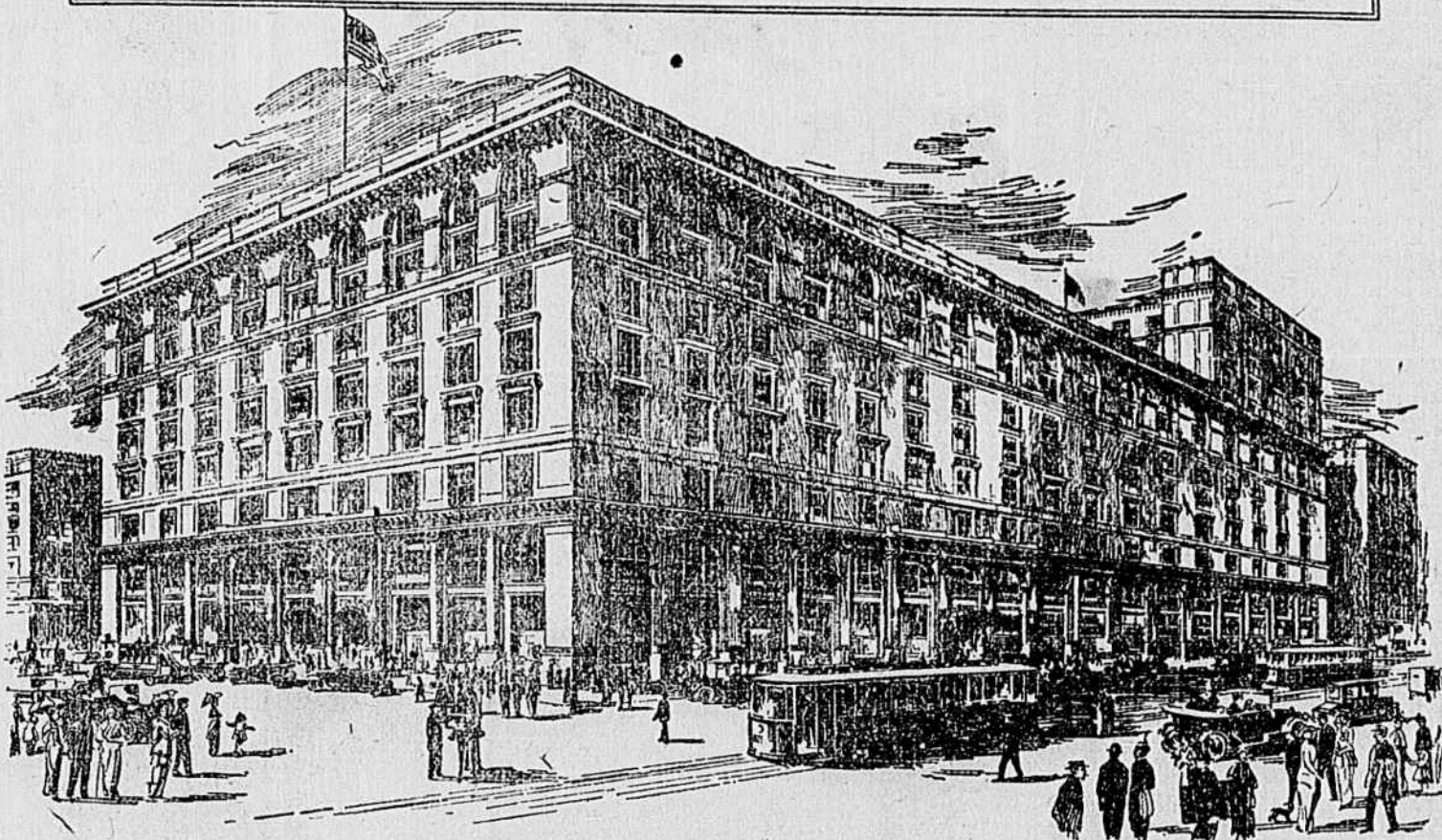
Our freights to South America should be the cheapest of the world. We take a large part of the exports of that continent and the vessels which bring them should carry back American goods at low rates. We take about 40 per cent of all the exports of Brazil, and the ships that bring our coffee and rubber should return filled with American goods. We are taking vast quantities of Argentine meat, and from now on there will be a fleet of chilled beef steamers coming from Uruguay and ships have to go back, and they should be loaded by the American factories. We take a vast quantity of nitrates from Chile, which should give us cheap return freights to that country. The Bethlehem Steel Company expects to carry northward a million tons of iron ore every year, and its ships should annually carry down the west coast a million tons of American goods in return. Our tin should come direct from Bolivia instead of going around by Ecuador. We get from Ecuador and Colombia should give cheap rates for our manufactures on their return. In fact, the trade between the United States and South America is at the edge of its beginning, and if our exporters and the government will do their part it will become one of the great assets of the industrial America of the future.

But the trade is only a part of the business. South America is a continent on the edge of its development. It offers possibilities for many millions in the development of its mines, agriculture and other natural resources. It offers endless opportunities for capital, and the surplus American millions can be sent down here and made to breed like Australian rabbits. As it is now, Europe has more than \$4,000,000,000 invested in the various republics, and the most of this is owned by France, Germany, Great Britain and Italy. Some of it is in lands, some in mines, some in factories, some in railroads and a great deal in concessions of various kinds. The Germans own the street cars of Santiago and Valparaiso, and they get enormous dividends therefrom. (Copyright, 1914, by Frank G. Carpenter.)

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